General report

on the situation with local autonomy in the Republic of Moldova in 2004

The research was realized within the frameworks of the Program "The growth of popular support in favor of Functional Autonomy of Local Powers"

INSTITUTE FOR DEVELOPMENT AND SOCIAL INITIATIVES IDIS (VIITORUL)

Decembrie 2004

General report

on the situation with local autonomy in the Republic of Moldova

CONTENTS

The following people have contributed to the elaboration of the Report:

Prof.Dr.Victor Popa
Dr. Igor Munteanu
Dr.Victor Mocanu
Dr.Liubomir Chiriac
Dr.Veaceslav Ionita
Dr-d Viorel Furdui

IDIS Viitorul, Chișinău, Iacob Hîncu 10/14, the Republic of Moldova
For additional information or comments contact us on the following phones and e-mail:
PHONES: 21 09 32, 22.71.30
idis_viitorul@mdl.net

I. GENERAL SITUATION

The present Monitoring Report describes the general situation in local public administration of the Republic of Moldova in 2004. Thus, in comparison with 2003 central public authorities did not take any significant steps to improve the situation with local public administration, adjustment of legislative framework to the European standards. The Report testifies to the absence of a clear conception on the development of an efficient system of local public administration and the actual government proved to be incapable to develop that kind of conception. Institutional changes that should have taken place were inefficient and even sometimes contradictory; they were illogical and unnecessary.

Instead of developing a democratic regime of government on the local level and offering the local collectives a possibility to develop by themselves without the interference of central bodies the authoritarian style of the state was preserved, the lack of communication was marked between state authorities and local public administration, citizens and nongovernmental organizations that are engaged in local public administration.

From March 18, 2003, the date of the adoption of the Law on local public administration different attempts were made to intervene in the sphere of local public administration but those attempts did not bring substantial changes in the competences of the authorities of local public administration, they did not liquidate the obstacles in the way of local autonomy, the efficiency of the activity of local public administration (LPA) did not increase because:

- the authoritarian function of the state with a massive bureaucratic corrupt system was preserved;
- the partnership between the state and civil society, the possibilities and capacities of which were ignored, was not established;
- a complex reform of the whole system of public administration was not launched;
- a national strategy that would define the general directions of the development of LPA was not elaborated;
- the programs on public policy that would focus on certain priorities were not adopted.

A characteristic of the year 2004 was an evident tendency to implement the elements of centralism in the organization and functioning of local public administration, as for example:

- direct or indirect subjugation of local authorities in the exercise of the attributions to the hierarchical powers;
- reducing the activity of local authorities to the interpretation of the will of hierarchical authorities, not that of local collectives;
- extending the anterior and posterior control leverages employed by the central government over the activities of local authorities.

Inefficient management resulting from the chronic lack of financial resources, autocratic public management, bureaucracy, excessive tutelage of central and regional authorities remain the basic attributes of local public administration. In most of the cases, bodies which are supposed to be the promoteurs of reform (Parliamentary Committee on local public administration, Division on public administration of the State Chancellary, other institutions that are primarily responsible for the well functioning of the system of local public administration do not go too far in pre-assessing the needs for change, no any cost-efficiency analysis were done between 2001 – 2004 in any sort of the legislative amendments that affected the functioning of the local public administration of the country. Moreover, the overall secrecy over the agenda of reforms, and lack of communication skills with the public have certainly blocked during 2002-2003 the 'first wave of legislative changes' initiated by the ruling party.

One may indicate as an illustrative example of overall sensitiveness the involvement of the Council of Europe's Experts in assessing the existing legislative framework for local authorities in Moldova. After the elaboration of the Action Plan, suggested by the Joint Group of the EU and CoE to the Moldovan Government in the Targeted Cooperative Programe (July 2003), it was expected that the Moldovan authorities will take the led and finally enunciate its strategic vision on reforming the local governments. The program was accepted by CLRP. In June in order to improve the legislation in the field of local autonomy State Chancellery created a working group that had to forward proposals for the presentation to the Council of Europe. As a vehicle for the development of the first Plan of Actions, the Govrnment committed itself with the creation of a number of Working Groups, equally created on behalf of the executive, legislative committees, local authorities and civil society, in order to step ahead with a series of specific sector analyses and assessments, legislative proposals, etc.

As of November 2004, a first Working Group has been officially set up with a large participation of various ministries, local public authorities, scientists and NGOs. According to the agreement during the first meeting four subgroups were created that had to elaborate legislative proposals in 4 priority fields: finance, legal framework, legal competencies and association. A number of Working subgroups had to meet weekly but

common meetings of all members of the group experts had to be held monthly. In spite of the very positive expectations, to nowdays, not a single meeting of the working subgroups was held, nobody proposed anything, and even proposals coming from the independent experts (IDIS„Viitorul") have been left unresponded, proving a large disinterest on behalf of the governmental bodies. Apparently, the central authorities never took seriously their obligations in developing the original Action Plan, proposed by the EU / CoE Experts. They've responded with a formalistic approach to the recommendations and were unhappy to involve more actors in designing the priorities on local autonomy for the forthcoming years.

In the mid of October, 2004, President Vladimir Voronin, issued a Decree by which he stated the year of 2005 as the "Year of Local Collectives". The motive reasoned the necessity to realize the principles of local autonomy as well as the necessity to engage large masses of the population in public activity. The Government was given a task to elaborate within 2 months a National Program of activities to make "The Year of Local Collectives" a reality oriented towards social economic development of localities from the rural areas, consolidation of their technical material basis, intensification of public activities of the population, solution of other vitally important problems on the local level. According to the Decree the authorities of local public administration were given a task to elaborate and enforce their own programs of activities by 'celebrating the year of local collectives' in Moldova within which the Government and the authorities of local public administration were compulsory obliged to collaborate with public associations and public initiative formations. Apparently, the decree in itself was a kind of recognition of the earlier made steps by the ruling party of only one Association of mayors and local collectivities, which enjoyed soon after 2004 elections almost a widespread political support of the governing bodies and rayon administration. By contrast, other associations of the local authorities faced huge difficulties in registering their membership.

While no one would contend about the relevance of the local collectives in Moldova, the Decree was also a signal of several weakness of understanding the real difficulties facing local public authorities. The reformation of the whole system of local public administration is necessary for the coherent effective development of local collectives in the Republic of Moldova. Unfortunately, such an important problem is dressed in formalism, festivities that try to demonstrate the "care" for local collectives. The development of local collectives cannot be a temporal process; it should be a continuing process lacking ideological imprints launched on the eve of election campaigns. The reform should foresee correct administrative decentralization, consolidation of local collectives, and reform of the budget process that would permit the creation of real local budgets for administration of local public sphere. The comparative analysis of local budgets denotes the fact that proper incomes vary from one locality to another from 40% in the metropolitan area Chisinau till 5% in agrarian localities. There is regularity: the smaller locality is the smaller is the ratio of incomes in the structure of local incomes. This state of affairs is not caused by the reduced level of development of localities but by the imperfection of the financial system in the republic. It is necessary to mention that the Republic of Moldova adopted the Strategy of economic growth and poverty reduction and if it is insisted on "The Year of Local Collectives" then it should be in rapport with the reforms planned in the Strategy that has a separate chapter called "Administrative territorial reform and decentralization".

2. INEFFICIENT INSTITUTIONS AND MECHANISMS.

2.1 Desconcentrated public services

The Law on local public administration adopted on March 18, 2003 till present was not adjusted to the demands of the European Charter and the constitutional regulations about local autonomy, decentralization of public services, consultations with the citizens in the issues of special local interest. Local autonomy as it was before the reform conducted by the communist government remained on the declarative level, the competences of local public authorities without financial sufficient resources and abrogation of the institution of the prefect made the relations of collaboration between the authorities of the first and second level turn into the relations of subordination.

Thus, after the dissolution of the former prefectural system of local governments, the Moldovan Government remained without prefects at the territorial level, and, in order to address the situation of having territorial deconcentrated services unmanaged by its direct representatives, it decided to transfer most of the competencies that earlier belonged to the Prefects to the Chairmen of Districts. It is obvious that in such circumstances, district top-level authorities became suddenly subordinated to the central government, despite their 'elective characteristics' and in spite of their mandate circumscribed to the standards and norms of the local autonomy. Moreover, the specific law on local public administration does not specify exhaustively who performs desconcentrated public services in the territory, what relation local authorities have towards those services, and who is responsible to pay for these services. It is obvious, desconcentrated

services are in the subordination of the Chairman of raion, who is responsible for their well performance to the Government, but the law does not stipulate for the competences of the head to those services, what relations they are with the ministries and departments that have the same services in the territory and what the responsibilities of those services are to regional authorities. Another issue is related to the supervising authority of the territorial offices of the State Chancellery over the Chairamen's decisions or competencies, which are not explicitely delineated from the central authorities mandate.

2.2 Competences of local public authorities.

The problem of competences of public authorities of different levels remained unchanged. The Law in force instead of delimitation of the fields of activity preserved the formula delimitation of competences. Art.10 says about proper competences of administrative territorial units of the first level, but art. 11 says about the competences of public authorities of the second level. It is clear that these regulations will inevitably lead to the overlapping not of the competences but of the types of activity. The competences of local public authorities are fixed in other articles of the law, as for example: art. 18 stipulates for competences of local council, art. 34 / competences of the mayor, art.49 – competences of regional council that should be connected with the provisions of art. 10 and 11. An analysis of the competences of local public authorities according to the law on local public administration testifies to the fact that many of them are covered financially by the resources foreseen in the law on local public finances.

Besides the law on local public administration stipulates for a number of competences that can be considered interconnected activities of public administration that do not need supplementary financing although it is hard to imagine how for example local public authorities will organize retail trade or other similar activities without supplementary resources. The law on local public finances also foresees the expenses for guarantee of public order and administrative military activities that are not stipulated by the law on local public administration. Moreover, art. 12 and 13 of the law foresee a number of competences that are delegated by the state to local public authorities of the I and II level. Furthermore, through the intermediary of its institutions it can control the legality and opportunity to realize delegated competences. In this context two questions appear that were not answered till present:

- what is the mechanism and what way does the state provide delegated competences with the necessary financial recourses;
- what normative or legislative act foresees the method of evaluation of the opportunity to realize delegated competences.

Multiple competences delegated to local public authorities of the first and second levels actually annul relations of autonomy and collaboration making mayoralties subordinate to the heads of the regions. Thus, art. 12 establish delegated competences for authorities of the first level, for example: civil protection, public order, administrative military activities, and natural resources protection. The same competences are delegated however by provisions set up by the art.13 to the regional authorities: civil protection, public order, administrative military activities, social protection of the population, natural resources protection. We will mention that from May 25, 2003 the date when the Law on local public administration came in force the mechanism of application of delegated competences was not elaborated because neither the 2003 budget nor the 2004 budget had financial resources foreseen for the application of delegated competences, thus making it a formality.

Nivelul ierarhic	Competenţe conform legii administraţiei publice locale	Comentarii
Primărie	construcţia de locuinţe pentru păturile socialmente vulnerabile ale populaţiei	Nu există acoperire financiară
	activităţile pentru tineret la nivel local	Este în competenţa organelor de nivelul II
Raion	dezvoltarea sa social-economică, amenajarea teritoriului şi urbanistica	Este în competenţa organelor de nivelul I
	construcţia gazoductelor interurbane şi a obiectivelor termoenergetice cu destinaţie locală	Nu există acoperire financiară
Suprapunere de competenţe	protecţia mediului înconjurător	Nu sunt prevăzute cheltuieli nici la un nivel şi nu este clar cum va fi delimitată competenţa
	transportul auto de călători, autogările şi staţiile	Nu este clar cum pot fi delimitate autogările pe niveluri ierarhice şi lipseşte acoperirea financiară la ambele niveluri

2.3 Organigram and working staff - type

After the organization of the May 2004 Local Elections, the implementation of the new system of territorial governments faced serious difficulties. One of the most important drawbacks was related to the existence of several obstacles administratively inculcated towards municipal and communal governments, such as the issue of controlling the size of the personnel employed by local authorities. As many independent experts noted (including the Experts of the IDIS „Viitorul") the decisions of the Government to reduce / cut-off municipal personnel by introducing a number of working staff-type and organigram has limited the initiative and mandate of the local governments on certain aspects of local autonomy. In fact, any limitation of this kind of imposing a model structure for staff and personnel – conflict with the provisions of art. 109 in the Constitution on the right to autonomy, decentralized services and eligibility, and also, it contravenes with the provisions of the art.3 of the Law on local public administration that established that administrative territorial units benefited from financial autonomy and had a right to initiative in the issues of local public administration, provisions of the art.6 of the European Charter says that local councils should be able to define by themselves the internal administrative structures.

On December 16, 2003, a group of opposition MPs (Dumitru Braghis, Valeriu Cosarciuc, Lidia Gutu) brought a demand to the Constitutional Court on the unconstitutionality to the provisions of art. 18 of the Law on local public administration from March 18, 2003 and the Decision of the Government nr. 688 from June 10, 2003 "On the structure and working staff of the mayoralties from villages (communes), cities (metropolitan areas) that oblige local councils to approve, on the proposal of the mayor, the Organigram and staffs based on working staffs -type approved by the Government. Unfortunately, the Constitutional Court recognized non-professionalism because in the adopted decision the following provision stating "based on working staffs-type approved by the Government" does not represent a restrictive norm as it does not impose local councils meaning the scheme-model of framework.

It is true, the Decision of the Government nr.688 says: „to recommend the mayors of villages (communes), cities (metropolitan areas) to elaborate, but the respective councils to approve the working staffs of the mayoralties in accordance with provisions of the annexes 1 and 2". Still, the letter f) of the art. 18 in the Law on local public administration does not recommend but in an imperative way fixes the disposition: "to approve, on the proposal of the mayor, Organigram and working staff-type approved by the Government, the structures and public services". Thus, the Constitutional Court through non-professionalism of the judges infringes the principle of local autonomy that was stipulated in art. 109 of the Constitution and art. 6 of the European Charter ratified in the Republic of Moldova.

2.4. Relations between public authorities of different levels.

Article 6 of the Law on local public administration establishes that the relations between central and local public authorities as well as between public authorities of the second and the first level are based on the principles of autonomy, legality, transparency, collaboration in the resolution of common problems. Unfortunately, this disposition is of a declarative character because central and regional authorities continue to apply administrative methods of command in relations public authorities of the first level. Mayoralties from the republic are showered with different circular indications to present reports, accounts, statistic data of different regional and republican structures, but the Government according to specific methods of the old administrative regime of command intervenes in the activity of public authorities of the I and II levels giving them different instructions, orders, illegally intervening in respective budgets.

The Government regularly examines at the meetings the issues of social economic situation in different regions, the activity of the authorities of local public administration about the durable development of administrative territorial units. Thus, in 2004 the Government adopted the following Decisions:

- 02.02.2004 On the social economic situation in the region Criuleni and the activity of the authorities of local public administration aimed at the durable development of administrative territorial units;
- 04.03.2004 On the social economic situation in the region Leova and the activity of the authorities of local public administration aimed at the durable development of administrative territorial units;
- 25.03.2004 On the social economic situation in the regions Nisporeni and the activity of the authorities of local public administration aimed at the durable development of administrative territorial units;
- 20.05.2004. On the social economic situation in the region Donduseni and the activity of the authorities of local public administration aimed at the durable development of administrative territorial units;
- 18.08.2004 on the social economic situation in the region Rezina and the activity of the authorities of local public administration aimed at the durable development of administrative territorial units;
- 07.10.2004 on the social economic situation in the region Telenesti and the activity of the authorities of local public administration aimed at the durable development of administrative territorial units;

· 01.11.2004 on the social economic situation in the region Soldanesti and the activity of the authorities of local public administration aimed at the durable development of administrative territorial units;

That would not seem extraordinary if the Government would employ this instrument in order to get necessary information and respectively, to help the regions to solve the problems that deal with the social economic development basing on the relations foreseen in art. 6 of the Law. In all mentioned Decisions the Government went beyond its competences, because it obliged the Heads of the regions and respective regional Councils within 15 days to convoke extraordinary session of the regional Council within the frameworks of which the social economic situation of the respective region had to be examined, a concrete plan of actions had to be adopted to liquidate the drawbacks in the activity of the authorities of local public administration. Together with different ministries and departments local public authorities were obliged to take a number of measures including those that foresaw the expenses from respective budgets. Thus, the Government made unauthorized interventions in the multiple problems that dealt with the competence of local and regional authorities fixing different activities that foresaw the expenses from the respective budgets without making the financial sources clear. All Decisions established a term of fulfillment of the instructions and orders that testifies to the existence of a control over the illegitimate opportunity of central public authorities infringing the principle of financial autonomy and article 14 of the Law that says that the competence of the administrative territorial units of the first and second levels cannot be caused or limited by any public authority, with the exception of cases stipulated by law.

The analysis of the activity of the Government in 2004 showed that it intervened not only in the activity of regional councils; it also patronized the activity of local councils. Thus, on 03.08.2004, the Government through its decision tries to improve the situation in the sphere of house building of the town Biruinta, region Singerei. The adopted decision has the following content: "in order to redress the critical situation created in the town Biruinta, region Sîngerei, in the sphere of water supply, services, sewer system, the Government decided: the regional Council Singerei will allocate supplementary financial resources to the Mayor of the town Biruinta to solve the acute problems of locality, making necessary changes in the regional budget for the year 2004. Mayor of the town Biruinta is obliged within a month to take measures in order to get necessary financial resources to repair the roofs, stairwells, engineering networks in the houses, etc… in the proportion 50 from 100 from the sources of the Mayoralty and the dwellers.

The question will be included in the agenda of the meeting of the town Council about the bills for central heating, technical services of the houses, maintenance of engineering networks, etc…" Moreover, during 2004 the Government adopted a number of decisions that make the erecting of the monument to the king Stefan cel Mare and Sfint in the towns Anenii Noi, Ialoveni, Edinet, Nisporeni obligatory. The expenses for the project, work and installation of the monument will be covered from the budget and extra-budget sources of the respective mayoralties. Mentioned decisions demonstrate the authoritarian style of command of central public authorities, unauthorized involvement of the Government in the sphere of activity of local authorities imposing activities and unfunded expenses. The activity of the Government, from this perspective, contravenes the principle of local autonomy and decentralization of public services regulated in the art. 109 of the Constitution.

3. PROTECTION OF LOCAL AUTONOMY.

During 2004 the capacity of local authorities to protect local autonomy, the rights and interests of the local collectives did not suffer from positive changes. As in the previous years the situation is preserved when local authorities do not have a right to appeal the Decisions of the Government that are of normative character to the judicial instances that infringes the right and capacity of local collectives to administer the problems of local interests by themselves. The practice of activity of the Government demonstrates that such acts are frequently adopted, especially in the sphere of local public property the situation being artificially created when local public authority if it does not agree with the delimitation of public property, for example, cannot appeal directly to the court the respective decision of the Government.

The only possibility to protect the rights is to address the Constitutional Court that is an indirect and very difficult way, because local public authorities are not given a right to appeal to the Constitutional Court. Thus, the access of local public authorities to justice depends more on the will of other people, than on their own. We will mention that the Constitutional Court recently is under the pressure and influence of a part of officials but some decisions have an obvious political character. Thus, for example, the decision from 25.12.2003 on the control over the constitutionality of the Decision of the Government nr. 891 „ On the Creation of Urgent medical Assistance Service in Moldova", the Constitutional Court without making a judicial analysis of the case and exposing the motives behind the decision, declared that when the decision was taken the parity of judges' votes was registered, thus the contested act was considered constitutional. Still, nothing was said about the fact that some provisions of the art. 8 in the Law on public property of administra-

tive territorial units were infringed, the provisions say that the transfer of property can be fulfilled only with the agreement of the proprietor, but nobody asked for the agreement of local public authorities during the adoption of the respective Decision of the Government.

4. ADMINISTRATIVE CONTROL

Well known is the fact that the control of the state and local authorities is to guarantee the legality of acts adopted by central, regional and local public authorities and correct application of the provisions, they should correspond to the constitutional provisions, laws in force, and the European Charter of local autonomy.

After the adoption of the Constitution in July, 1994 in Moldova the control over the legality of the acts of local public administration authorities evolved in different ways, but the legislative solutions were not durable and most efficient. Beginning with 1999 administrative control over the activity of the authorities of local public administration is exercised by the prefect as a representative of the Government in the territory, but the judicial control is realized by the way of administrative disputes resolved by the people vested with that power. In this period Moldova approached a classical European system of control, still the institution of the prefect did not resist because actual government abolished it together with the whole system of local public administration. The control over legality was given to new structures called territorial offices of the State Chancellery. IDIS „Viitorul" repeatedly mentioned that control over legality of the acts adopted by local public authorities should be done by the state authority, not by the Territorial Office, because State Chancellery is not a body or public authority, but a subdivision of the Government where its apparatus is concentrated. Moreover, territorial offices are not legal entities and are not liable for their activities (or abuses) if they would occur.

However, even those structures did not resist too much, because in November 2004 on the initiative of the Head of the State the State Chancellery is abolished and transformed into the Governmental Apparatus but the territorial offices respectively were transformed into territorial offices of the Governmental Apparatus with the same competences. The exercise of legal capacities of public law belongs to the head of the Office who exercises general management of the office. The head of the Office is nominated and dismissed by the decision of the Government on the recommendation of the Head of the Governmental Apparatus and as a rule that person should have legal studies and a professional experience at least 5 years. Thus, the rule is imposed that people selected for the post of the head of the territorial office are to have legal studies. Unfortunately, the practice shows that exceptions usually becomes a norm, that is from all heads of the territorial offices nominated by the Government only one person has legal education.

The importance of qualitative exercise of control over the acts of the authorities of local public administration is determined by the necessity to assure respect towards the rule of law. In this sense the following figures are significant. During 9 months of the year 2004 territorial offices in Balti, Chisinau, Edinet, Floresti, Hincesti and Ungheni exposed to administrative control 93955 acts adopted and emitted by the authorities of local public administration. From the total number of the controlled acts 2777 were marked as illegal, from which 2266 were modified, amended or abrogated by the authorities of local public administration and only 505 became a subject of the administrative dispute.

The problems with acts encountered by the territorial offices damage the relations between local public authorities and territorial offices, the relations that are not clearly defined by the legislation. The most difficult sectors are the metropolitan areas Chisinau and Balti and the autonomous territorial unit Gagauzia. The metropolitan area Chisinau is blamed for the violation of the land legislation, house building rules, etc…; the metropolitan area Bălţi does not conform to the legal provisions and does not present administrative acts for the administrative control of the legality. The administrative territorial unit Gagauzia till present does not have a territorial office and there is no another foreseen way of control over the legality of the acts of public authorities of the first and second levels in the respective territory. It follows that the respect towards the rule of law, the rights and liberties of the citizens in this administrative territorial unit are not absolutely guaranteed. But the state encourages those illicit activities.

5. PATRIMONIAL SITUATION OF LOCAL COLLECTIVES IN 2004

During 2004 the representatives of central public authorities in the republic of Moldova made some attempts, through declarations, to convince international community in its commitment to and respect for the European values: human rights and liberties in general and those of local autonomies in particular. In reality the situation is of another character, the majority of declarations were at variance with the activities that followed the declarations and resulted in greater subordination and dependence (including financial patrimonial one) of local public authorities to central public authorities and authorities of the second level. During 2004 numerous local collectives were deprived of patrimonial welfare, sources of income, the right to grant property titles and licenses for participation in some kinds of activity. From this point of view, the le-

gal provisions are abusively interpreted by central authorities and authorities of the second level but local budgets do not have financial resources they should have. The establishment of an unjustified interdiction to nominate the working staff by themselves and fix wages limited the capacity of local authorities to provide the population with qualitative services and to efficiently control their property. At the same time local authorities were imposed a series of functions that were not covered financially.

During 2004 there were marked some changes in the field of privatization that can be considered a step towards decentralization: territorial agencies of privatization were liquidated and their competences were delegated to public authorities of the second level (regions). In reality this kind of decentralization proved to be inefficient because nothing was changed – territorial agencies were urgently substituted with a person from the apparatus of the head of the region who became responsible for privatization. While local authorities of the first level did not get necessary competences in the field of municipal property privatization. We consider the correct and efficient solution could be separation of competences in the field of privatization among local public authorities of the first level, of the second level and central public authorities depending on the belonging of goods subject to privatization. When municipal property privatization takes place, all competences should be given to local public authorities of the first level, in case of other types of property (regional or state) – regional or central authorities respectively.

5.1. The uncertainty with the legal status of water possessions.

Water possessions constitute an important source of income for local budgets in the Republic of Moldova. Still, due to the adoption of some abusive normative acts by the Government the legal status of water possessions remains uncertain, local public authorities confront serious problems in what refers to possession, use and disposition of water possessions situated on the territory of respective local collectives. As a consequence during 2004 many local authorities were engaged in long-lasting costly judicial processes regarding protection of their rights and interests referring to the control over water sources.

Along with the adoption of modifications in the Water Code (that came in force on January 1, 2004), the right of administrative territorial units to own water possessions was recognized; there were fixed criteria of delimitation of the state public property from possessions of the administrative territorial units and the old contradictory outdated conception saying about the exclusive right of the state to own water resources was refused and substituted with a more adequate term of public property. In accordance with par. 3 of Article 127 of the Constitution administrative territorial units are admitted to the category of exclusive proprietors of water resources along with the state, they together are entitled to the right to public property. Moreover, an absolute innovation is the recognition of the right of private ownership over water resources. (article 2/4 of the Water Code).

Still fresh positive regulations included some provisions that generate confusion and contradictions creating obstacles in the way of practical realization of the new concept of water resources ownership. It especially refers to the aspects such as: the way of real delimitation of water resources between the state and the administrative territorial units, the limitation of the right to public ownership of administrative territorial units over water resources through the inclusion of some confusing contradictory phrases (article 2/3); de facto admission and de jure common public ownership with private property – in the situation when some valuable parts (for example: the dams of water reservoirs). It caused conflicts and judicial litigations between local public authorities and the subjects of private law, as well as between local and central authorities regarding possession, use and disposition of water resources, these conflicts are not usually resolved in favor of local collectives.

We will mention the phrase that was introduced in the Law nr. 446/2003 „... whose hydro-technical constructions are in the balance of the mayors...", that testifies to the discrimination of administrative territorial units in relation to the state and introduces the limitation of the right to public property of the administrative territorial units that can lead to the expropriation of public patrimony because a unit of public interests (water resources) is not recognized (registered) as public property simply because a small part of it (hydrotechnical constructions) is not in the balance of public authorities.

5.2. The legal status of municipal property

Another type of judicial conflict that involves local public authorities arises from the legal status of municipal property and units built at the expense of local collectives. Although the construction of phone and electrical lines was funded from local budgets and contributions of collectives, local authorities are forced by the economic agents (the Post of Moldova, Telecom and Union Fenosa) to transmit those units in the ownership of those economic agents free of charge, otherwise, the economic agents refuse to provide services.

The fact should be mentioned that, although, the activity of the respective economic agents is obviously illicit, in major cases local public authorities are forced to accept those conditions, local budgets again suffer from the shortage of the sources of income from rent and alienation of the units. Is also testifies to the lack of consideration towards patrimonial interests of local collectives from the part of economic agents and incapacity of local authorities to protect from such abuses because of the lack of legislative regulations.

5.3 Delimitation between the state property and the property of the administrative territorial units

One of the most important problems in the patrimonial field of local public administration - delimitation between the state property and the property of the administrative territorial units was not solved during 2004. Till present there is an uncertainty regarding the legal status of different categories of units that are situated on the territory of different administrative territorial units: underwater areas, forest lands, buildings and houses of different public institutions (in the sphere of healthcare, education, culture, etc…), buildings of the former regional committees of the party, etc From this point of view there are many normative acts that allow different interpretations: Water Code, Forest Code, the Law on the territories in public property and delimitation of those territories, etc

During 2004 local public authorities put up with the consequences of the Decision adopted by the Government on August 4, 2003, nr. 959 that approved of the territory in public property of the state in regions and the autonomous territorial unit Gagauzia. As a result, the majority of territories of local public interest (including underwater areas) were illegally unjustifiably included in the public territories of the state ownership. According to the current legislation they should be only in the public ownership of administrative territorial units and under the control of local public authorities. As a consequence, local collectives were deprived of an important source of income (lands) and of the right to make decisions referring to the control over those lands. Furthermore, this situation generates a state of uncertainty regarding the competences of local authorities and provokes a conflict with different economic agents that benefiting from the uncertainty refuse to conclude an agreement and pay money to local budget for the use of public patrimony. Central and regional authorities, in their turn, refuse to register the right to ownership of administrative territorial units and issue the documents that would guarantee those rights.

5.4 Infringement of patrimonial rights

The unilateral abusive deprivation by the Government of units in municipal property from local collectives represents a case of grave infringement of patrimonial local autonomy. It was done under the pretext of the creation of the Urgent Medical Assistance Service in the Republic of Moldova. The Government adopted decision nr. 891 that obliged the regional, municipal councils and the autonomous territorial unit Gagauzia to transmit the stations of urgent medical assistance with all allocations and material goods to the Ministry of Healthcare. The municipal council of Chisinau is also obliged to transmit the Ministry of Healthcare the Emergency Hospital with the stations of urgent medical assistance and all allocations and material goods.

The adoption of respective normative acts and the way of treatment with local authorities showed the Government's complete disregard to the provisions in the current legislation and the constitutional principles of local autonomy. We consider the following provisions were infringed in particular:

The law on local public administration that says that the relations between different levels of public administration are based on collaboration and legality, not on the subordination. That is why the Government could not oblige or give instructions in case with local authorities;

The law on public property of administrative territorial units (article 8) that fixes: any transmission of public property of administrative territorial units in the ownership of the state (and vice versa) can be done only with the agreement of local council;

The Constitution and the European Charter that establish the right of local collectives to be consulted in cases when the decisions affecting their interests are made.

We will also add that the transfer of property that was initiated by the Government actually represents the case of local public expropriation that is prohibited by the current legislation.

5.5. The lack of the system of control over the patrimony of administrative territorial units

The existence of the unitary multilateral system of control over the local patrimony constitutes one of the most important conditions of the efficient development of patrimonial relations of administrative territorial units.

The system of control of the municipal patrimony in the Republic of Moldova remains too complex, intrica-

te and does not correspond to the current legislation in many respects. In particular, the control over the patrimony is done by different people (secretary, cadastral engineer, and accountant).

Thus, there are cadastral, accountant registers of material goods, books of fixed goods registration. At the same time, the provisions (of the Water Code and the Law on local public administration) are not taken into consideration that stipulate for the detailed evidence of property of the state and administrative territorial units, of goods in public and private spheres. It results in the lack of interests from the side of central authorities to the existence of modern effective control over the patrimony of administrative territorial units because the situation permits central authorities and the authorities of the second level to interfere in the competence of local authorities and adopt abusive acts in the sphere of patrimony.

6. FISCAL AND FINANCIAL AUTONOMY

Local budgets of the I level are formed from four types of incomes: local taxes, regulatory incomes that are divided between mayoralties and regions, they are a part of proper incomes, regulatory incomes that are divided between the budgets of the state and local public authorities, and transfers.

In 2004 the structure was radically changed due to the fact that VAT (value added tax) was taken away from the regulatory incomes. In our opinion, the greater is the ratio of proper income and, partially, allocations, the greater is independence of local authorities from the structures of the II level. Local public authorities are limited in the field of local taxes by their number that is established by the Law on local taxes, but from 2005 Chapter VII of the Fiscal Code.

This Law stipulates for 14 local taxes. The second limit deals with the maximum amount of tax that can be collected and established also by law. Thus, local public authorities are limited through the number of taxes and their amount. Existing local taxes and the whole fiscal system in general are not favorable for the majority of localities in the republic. From 14 local taxes only 3 are used in the territory, the rest of the taxes are seldom utilized. The transformation of land tax into regulatory tax made the idea of local self-financing unviable.

The most frequently used taxes are: the tax for the arrangement of the territory, the tax for the placement of commercial units, market tax. It should constitute the main source of income for mayor's budget. According to statistical data those taxes assure the majority of collections from local taxes. Actually 4 local taxes provide 95% of income of local public administration. The rest of taxes are of minor importance and only sporadically present an advantage. Local taxes, such as the tax for the right to shoot movies, the tax for the owners of the dogs, did not brought any income in local budgets at all. Other taxes, such as balneal tax, tax for the right to sell in the frontier zone, brought about 10 thousand lei for the whole system.

Local taxes are devised especially for Chisinau. Other administrative territorial units should think over another way to increase fiscal incomes. It follows that mayors have to have greater freedom in promoting some types of local taxes.

The second factor that determines local autonomy is the right of local officials to make decisions connected with the use of financial resources on the local level. All local autonomy and the volume of transfers are determined by standards established by the superior bodies. Still, local autonomy is practically paralyzed by the standards of expenses. The structure of local public expenses, the volume of transfers is determined by standards established by superior bodies. We think this practice reduces the degree of local autonomy, because officials are strictly limited in making decisions about the allocation of financial resources. Freedom to make decisions about the allocation of financial resources can be exercised only with the over-incomes (that exceeds 100% of fixed expenses, but not more than 120%). Income over the foxed expenses have less than 10% of localities in the republic, the rest of the localities are totally dependent on the orders and standards of superior bodies.

The imperfectness of the system of formation local public incomes caused imperfectness in the system of allocation. It is practically impossible under the present conditions to speak about freedom in making decisions about the allocation of local financial resources because the financial potential of localities differs in 7-8 times.

Another component of local public incomes makes allocations. The legislation stipulates for what impositions remain on the local level and for their minimal size. But we have public authorities on the I level (mayors) and local public authorities on the II level (regions). Delimitation between the I and II level of regulatory incomes is in the competence of the Regional Financial Department. This state of affairs creates dependence of local public authorities from regional authorities. This dependence is manifested in the following way:

First of all, allocated incomes are of another quality. There are taxes you can easily collect and they are 100% collected and there are also "dead" impositions. The Regional Financial Department decided what the basket of impositions will be for every locality. It refers to both types of regulatory incomes. VAT made the biggest part of regulatory incomes from the general impositions of the state until 2003. It made up 50% from the total regulatory incomes. But in 2004 local public authorities were deprived of this source

of income. Forecasting proper incomes is also an essential problem in budget relations between the levels. According to the legislation if the mayor gets less income than it was meant to, superior authorities do not cover the difference. In case of surplus local public authorities leave it and can use for financing of diverse activities on the local level. But mayors are obliged to approve the budgets with the Regional Financial Department.

The above mentioned legislative provision makes the procedure of budget approbation one of the most difficult for local public authorities. As the Regional Financial Department tries to increase as much as possible the incomes of local public authorities in order to plan the smallest possible sum for transfers, mayors try to minimize the risk connected with the collection of impositions and minimize incomes as much as possible and in case they get more than it was expected they try to benefit from the financial surpluses in conditions when standards established by central public authorities do not cover even 50% of necessary financial resources.

6.1 The evolution of local public expenses

Since 2001 the new Government composed of communist majority from the Parliament has not got any financial support from international financial bodies. It had an extremely negative impact over the local public income and expenses as it deals with the relations of central public authorities with international financial institutions. The ratio of expenses connected with the external service in central budget reaches 50% in Moldova. Until 2001 it was partially covered by new credits or prolonged existing credits. Under the conditions of absolute absence of external financing central public authorities took a number of measures, beginning with 2002, to "optimize" public expenses that finally resulted, one the one hand, in the reduction of expenses of local public authorities, on the other hand, in the decrease of incomes of local public authorities. The following instruments were used in this case:

- Financing of education through the intermediary of local budgets without clear delimitation between the expenses of local public authorities and central public authorities;
- exclusion of VAT from regulatory incomes;
- reform in the system of healthcare

All those activities led to the fact that since 2003 and especially during 2004 the role of local public authorities to use public financial resources dramatically reduced.

Tab. 1: Local public expenses in % from GNP and all public expenses (million lei)

	1999	2000	2001	2002	2003	2004 plan	2005 project
GNP	12322	15980	19052	22560	27300	30600	36700
Total public expenses (TPE)	3495,3	4268,8	4325,8	5194,1	6183,4	7615	7724
Local public expenses (LPE)	960,2	1388	1767,6	2359,7	1928,3	2213	2288
Annual growth of LPE	-	1,44	1,27	1,33	0,82	1,14	1,03
LPE/GNP %	7,8	8,7	9,3	10,7	7,1	7,2	6,2
LPE/TPE %	27,5	32,5	40,9	45,4	31,2	29,1	29,6

The source: Department of statistics

But even the figures in the table do not reflect the real situation. This sum can be divided minimum in two because it includes expenses made by central public authorities through the intermediary of local budget. Beginnings with 1995 local public authorities permanently were given diverse responsibilities without financial covering. The Government continually emits a number of normative acts that impose on local public authorities the performance of different activities that are not in their competence and takes the financial resources from them.

For example, the Plan to make the activity of central and local public authorities more efficient that was approved through the Decision of the Government nr.1379 from December 13, 2004 obliges local public authorities together with the Ministry of Ecology and Natural Resources to co-finance the projects on the protection of environment, it means the arrangement of water springs and wells, creation of territories of protection of rivers and water basins, extension of forest lands, support of enterprises dealing with neutralization and recycling of waste, reconstruction and protection of natural ecosystems, conservation of biodiversity, air purification. According to the Plan of activity local public authorities together with the Ministry of Transportation are obliged to begin the construction of railroads Revaca-Cainari in 2005.

6.2 Review of costs and effects of the administrative territorial reform of 2003

In 2003 the experts of the institution IDIS „Viitorul" together with BCI made an evaluation of the costs of the reform. The result was 740 million lei. In a year after the implementation of the reform it is relevant to reevaluate the costs. The methodology of calculation supposes the division of costs in two categories:

· Costs necessary for the implementation of the reform; they are made up of paid redemptions, repairs of the new institutions, expenses necessary for the change of inscriptions, etc…;

· Costs provoked by the increase of expenses to keep the new administrative apparatus that are calculated for 4 years. (the term of office of the respective government)

According to effectuated actualizations in March 2004, total costs of the reform already exceeded one billion lei and the figure was to grow in future.

According to out estimations since 2003 the costs of implementation have reached 103 million lei. We can see from the table that the costs did not suffer from many modifications as a sum but there were some essential changes in their structure.

Structural modifications of the costs of implementation:
1. There were paid less redemptions that it was forecasted. Only 50% of employees of the regional councils and 30% of disconcentrated services and local mayors got redemptions in connection with the reformation of public institutions. Some of them are in the judicial process till present.
2. The cost of one car, according to our estimations, was 100 thousand lei. In reality they were bought for 230 thousand lei.

We should also mention that 106 million are the costs are costs necessary for implementation, but the real expenses, according to the estimations, took only 50 - 70%. It does not mean that some finances were saved; it is due to the fact that there were no sufficient resources to realize the reform. The highest costs will be paid for growing monthly expenses to maintain the new administrative system.

Actualization of the costs (million lei)

Indicatorul	Estimat 2003	Actualizat 2004
Costuri de implementare (CI)	**103**	**106**
Creşterea costurilor anuale (CA)	**160**	**231**
Costurile totale (CI+4*CA)	**743**	**1.030**

Monthly expenses for the maintenance of administrative system

Specification	Cost lei/monthly	District (judet) system	Regional system	Modifications in %
Indemnities for regional councilors	54	18576	60804	327,33
Salary to the officials of the Regional Councils	900 / 1082	1854000	2527552	136,33
Expenses per an employee in Regional Councils	590	927000	1378240	148,67
Indemnities for local councilors	27	168156	292707	174,07
Salary to the officials of disconcentrated services / ministerial structures	900 / 1082	13909500	23075814	165,9
Expenses per employee in disconcentrated services / ministerial structures	590	6954750	12582930	180,92
Salary to the officials in local Mayoralties	700 / 820	4573800	4856040	106,2
Expenses per an employee in local Mayoralties	410	2613600	3121740	119,44
Expenses for social insurance	0,29 / 0,3	6662837	10120336	151,89
Total		**37682219**	**56906211**	**151,0**

Total costs for the maintenance of the system grew by 51%. It is necessary to mention that the growth is partially due to the 10-15% addition to the salary and the prices. But 35% of the growth of the maintenance of the new administrative system is caused by the reform. Monthly costs for the maintenance of an administrative apparatus in the territory, thanks to the reform, increased by 19, 22 million lei. It makes up 231 million lei annually. The growth was provoked by:

· an increase in the number of public institutions in the territory from 955 to 1842 (by 887 or almost twice)

· an increase in the number of public officials in the territory

Modifications in the number of public officials in the territory

Indicator	**Before the reform**	**Our estimations from 2003**	**Actual situation 2004**	**Our forecast for the future**
Officials of the ministerial services	15.455	18.555	21.327	23.500
Public officials of the mayors	9.245	12.020	8.345	11.000
District (judet)/regional councils	2.060	4.800	2.450	3.500

After reforms of 2003 the state essentially increased its presence in the territory to the detriment of local public authorities. After the reform the number of officials in desconcentrated services increased by 38% and by 19% in the regional councils. This increase was compensated by the drastic reduction in the number of officials from mayoralties that practically paralyzed the activity of mayors for a year. As for officials of regional councils and especially of mayoralties while calculating we based on the necessary minimum that would guarantee the functionality of mayors. But immediately after the reform the working staffs of mayors were reduced by 1.500 people in conditions when the number of mayoralties increased from 647 to 902. Under the same conditions local public authorities tried to search for solutions.

First of all they began promoting new functional unities in their structures through special decisions. Many mayors found a legal way to increase the number of officials in their staffs. Thus, the law permits mayors to conclude individual labor contracts for a year. Mayors who used this mechanism increased the number of officials in mayoralties by 10-20%. This process is getting broader but it is very inconvenient because it presupposes the conclusion of labor contracts every year and does not guarantee the stability of an employee that makes the created function unattractive. Working staffs are increased by 5-10% on the level of regional

councils. Another way to increase the number of employees is the Decisions of the Government that were adopted since the implementation of the reform till present.

Decisions of the Government (DG) on the modifications of working staffs

For the metropolitan areas Chisinau and Balti
Initially (DG nr. 688 from 10.06.2003) stipulated for 699 respectively 103 employees that grew to 828 (+129) and 106 (+3) (DG nr. 864 from 14.07.2003).

For the mayors of towns and villages
Working staffs grew by 0,5 –1 unit (DG Nr.37 from 23.01.2004 2004).

For regional Councils
Working staffs grew by a unit (DG nr. 1356 from 13.11.2003 and DG nr. 864 from 14.07.2003).

To put it in another way, during a year the Government was made step by step increase the number of employees in the working staffs on the local level. According to the Law on social assistance from 25.12.2003 a new function of social worker will be introduced in every mayor's working staffs. It means the growth of working staffs by at least 900 people.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions.

Periodical reports on the situation with local autonomy in the Republic of Moldova and different studies, analysis in the field of activity performed by IDIS "Viitorul" allow us to witnesses a great disparage between the legislative and regulatory framework and practices operated, hindering the process of adjusting the country to the European standards and norms as pertain to the local autonomy.

First of all, there is a large gap between the 'written' constitutional provisions on organization and functioning of local public administration and the current statute of local authorities, elected democratically in Moldova. There are still several legislative conflicts between the norms enshrined by law and practices operated by various bodies of the public administration. Some normative acts within legislative framework are in the conflict with other normative acts, but other documents regulate partially social relations that appear in the process of management of the local public field. It happens due to the fact that actual government tries to impose centralized methods in public administration field; the complex reform of the whole system of public administration has not been launched; there is no national strategy that would show general directions of the development of local public administration; the programs of public policies focused on certain priorities are not adopted. Researches in the sphere of public administration made by the experts of IDIS „Viitorul" do not take into consideration factors that have a negative influence on the successful implementation of an efficient system of local public administration.

Secondly, there is still a vague and ambiguous delimitation of competences between local public administration and the state is done; to put it otherwise there is no mechanism of realization of the principle of decentralization and desconcentration of public services.

- There is no delimitation of responsibilities between local authorities of the communal and regional level and state authorities regarding the results of the administration in the public sphere.
- The principle of financial resources, public or private property of communes, villages, towns and metropolitan areas at the disposal of local public authorities is not guaranteed.
- There are no regulations that would establish concrete forms of protection of local autonomy. Moreover, there is not a single legislative act regulating procedural relations that would confer local public authorities the right to address judicial institutions to protect the rights and interests of local communities.
- Local public authorities do not have a direct access to constitutional justice in order to subject the acts of central public authorities contradicting the constitutional principles to the control over constitutionality.

Thirdly, the elaboration of new bills of law and legislative proposals is performed by a very narrow group of people, primarily linked with the top-central administration, most of whom do not have specific academic background either necessary knowledge in the respective field of performance. The bills of the law which appear on the agenda of the Parliament are, in their largest majority, not consulted with the direct beneficiaries of the reform, nor with the academic community of the country, experts from different fields of national economy and associations of local government are largely neglected, or associated only to create some appearances of consultation. On top of that, the bills of the decisions or laws are never pre-printed or disseminated to the interested audiences, while open public debates on the subjects pertaining to the reformation of the public administration of the country do not enjoy the required attention in the public mass media, and they reach the agenda of the Government or the

Parliament without any public inputs at all.

Fourth, the personnel-imposed restrictions by the Government of Moldova set up an obsolete model of deciding upon the size and other characteristics of the personnel hired by local authorities from the very top-structures of the executive bodies, thus, limiting the initiative of local and regional councils to choose the number of employees and fix the salary in accordance with their competences, professional skills and responsibilities. As a result, the principle of labor remuneration on the basis of unique net rates inherited from the old regime is applied.

Fifthly, the application of the control leverage through judiciary is visibly one of the basic elements assuring legality in relations between local and central public authorities. In this context it should be mentioned that a number of acts of central authorities do not deal with the competence of administrative litigation and can be influenced only by constitutional litigation. The control over the constitutionality of the acts of central powers is the way for local authorities to protect themselves against the infringement of their rights caused by the acts of the Parliament, the President and the Government of the Republic of Moldova. Till present the legislation do not recognize the right of local authorities to address directly the Constitutional Court in order to make the acts of those institutions a subject of control over the constitutionality.

Sixthly, the analysis of the current legislative framework in Moldova permits us to conclude that the adoption of the basic normative acts regulating patrimonial relations of the state and administrative territorial units was done without considering the theoretical and practical realizations in this field and in its turn it led to fundamental errors that at present affect applicability of those normative acts. Till present there is no adequate legislature that would reflect a clear effective conception on the property of administrative territorial units. This sphere of rights is dominated by old, contradictory and outdated concepts that are obstacles in the way of actual development of society development. Although there are a lot of normative acts in the field of public patrimony that use modern advanced notions and terms, till present there is no clear delimitation between the property of the state and administrative territorial units, between public and private property. There is no clear non-contradictory judicial regime applicable to different categories of units in the ownership of the state and administrative territorial units; the patrimonial relations between administrative territorial units, the state and other law subjects are not regulated, etc… Respective situation constitutes one of the principle causes of the absence of adequate patrimonial autonomy and frequent infringement of patrimonial rights of local communities by central authorities.

Recently, the local public expenditures have decreased in the totality of public expenses. This fact is more evident if we deduce from local budgets expenses that are not in the competence of local public authorities, they include expenses for education. The small volume of financial resources on the local level makes the resolution of problems of local interests that are in the competence of local public authorities impossible. The principles of local autonomy are considerably reduced in the autonomy to make decisions by the permanent tutelage from the side of central and regional authorities. First of all, outdated are the procedures and rules of administration of public finances. The actual methodology of financial budget planning has no levers to stimulate local initiative. It leaves space for the general tendency to diminish the fiscal basis to get as big transfers as possible. As a result, the proportion of proper incomes is limited but local authorities remain greatly dependent on the fiscal transfers of the Ministry of Finances.

Ambiguous unclear legislation in the sphere of delimitation of the competences leads to the situation when local public authorities are forced to bear costs for the activities that are not in their competence. The Government does not keep to the principle of local autonomy that presupposes the transfer of financial resources together with the delegation of some competences. The Government always emits Decisions that say that local public authorities are obliged to perform diverse activities without giving them financial covering. Because of imperfect fiscal system and excessive centralization of financial resources an overwhelming majority of local public authorities of the first and second level are dependent on transfers that in the conditions of Moldova essentially limit their independence in decision making process. Modifications of the legislative framework in the field of local public administration are of formal character and often so called activities to strengthen "the vertical of power" directly infringe the rights of public authorities including the right to financial resources. The administrative territorial reform greatly widened the development gap between newly created administrative territorial units of the second level and within those units. It makes the creation of the new system of balance of incomes and respectively expenses of local public authorities very difficult.

RECOMMENDATIONS.

Delimitation of competences

Decentralization of public services and strengthening administrative and financial autonomy constitute basic conditions of the system of local public administration. In order to make that objective a reality it is necessary to have an ensemble of legislative acts that would trans-

fer the competence to make decisions to local level, at the same time local authorities should have at their disposal real possibility to get sufficient proper financial resources to perform the established competences. From this perspective, it is necessary to adopt some special laws about decentralization of public services that would clearly fix the fields of activity of every authority, the limits of competences, responsibilities and forms of control.

Administrative measures appropriate for competences.

Strengthening financial autonomy of local authorities should be done parallel with the consolidation of inter-budget relations between state budgets and the budgets of administrative territorial units. It is necessary to take the following steps:

- Review of the procedures of constituting and administering local budgets, establishment of efficient stimulus to improve the way of using proper incomes and rationalizing expenses that would contribute to the guarantee of financial viability of the system of local management in the nearest future and would correspond to the principles of decisional autonomy, protect the objectives of administrative reform and contribute to the stabilization of the economy of the state;
- Delimitation of competences between administrative levels with clear specification of financial resources disposable for the realization of given competences.
- Legalization of the mechanism of delegation competences from hierarchical level to other with clear description of modalities of financing delegated competences
- The reform of fiscal system that would diminish the gaps in proper incomes of local public authorities.
- The development of new financial instruments on the local level to create adequate legislative framework.
- It is strictly necessary to clearly delimit the units of the property of the state and administrative territorial units.
- To define and regulate the judicial regime of the property of administrative territorial units.

Efficiency of administrative control.

The exercise of administrative control should be effectuated from the name of the Government by a structure vested with attributions of public authority that will be represented by the Government in the territory. Legal status of territorial officials should guarantee the possibility to act in the territory from the name of the Government but not from the name of its Apparatus.

The institution of the territorial office of the Apparatus of Government responsible for the exercise of control over administrative acts emitted by the authorities of the autonomous territorial unit Gagauzia should be established. It is necessary for the realization of constitutional provisions from the article 111 that says: the task of the Government is to exercise control over the legality of acts emitted on the territory of the autonomous territorial unit Gagauzia.

Protection of local autonomy.

To recognize local public authorities as the subjects vested with rights to address the Constitutional Court because it will guarantee the principle of local autonomy. Such an instrument of the authorities of local public administration will give local collectives the possibility to react independently when the rights of local collectives are infringed through normative acts excluded from the judicial control via administrative litigation.

To stop bureaucracy

Reduction in the number of officials constitutes a goal of the program of those who come to power and try different activities to find out at the end of the term of office that the number of officials is ample. To do that there should be imposed the liquidation of the mechanism through which organigrams, models of working staffs, levels of labor remuneration are established through the decisions of the Government and to establish by law the right of local and regional collectives to spend a limited sum from the respective budgets for the maintenance of technical apparatus.

Optimization of administrative territorial structure.

The Republic of Moldova declared integration in the European Union. It imposes a new vision on the regionalization. It is necessary to adopt special law about regional development that will establish the basic objectives of the policy of regional development, as for example: diminishing regional disequilibrium, stimulation of balanced development, compensations for the delays in the development of disfavored zones, and prevention in the production of new disequilibrium, correlation of sector governmental policies and activities on the level of regions through stimulation of initiatives and realization of local and regional resources in

order to reach durable social and economic development, etc…

Improvement of the legislative framework.

It is necessary to elaborate and adopt the following legislative initiatives for local public administration to be organized and function efficiently:

- The Law on decentralization of public services that will regulate strict delimitation of competences between state authorities and local public administration;
- The Law on the property of administrative territorial units according to the new Civil Code and the Law on local public administration where patrimonial relations of administrative territorial units will be regulated in details and will eliminate existing contradictions and establish the legal status of municipal property in accordance with the principles of local autonomy and decentralization of public services;
- The Law on the administrative territorial organization that contains the principles, criteria, modalities in the administrative organization of the territory and the extension of the content of regionalization;
- The Law on judicial responsibility of public authorities and public officials to prevent the abusive prejudices of the state and local collectives in the process of public administration;
- Modifications in the Electoral Code that would stipulate for organization of local elections on the basis of uninominal voting;
- Amendments to the existing legislative framework to legally protect local autonomy, including the right of local collectives to address the Constitutional Court;
- Modifications in the Law on local public finances, the Law on the patrimony of administrative territorial units, the Law on local impositions and taxes that would define the judicial regime of local finances and property strengthening local autonomy and financial situation of territorial collectives.